



MARITIME RESOURCES

MARITIME RESOURCES CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and six month periods ended June 30, 2019 and 2018

(Expressed in Canadian dollars)



This Management's Discussion and Analysis ("MD&A") of Maritime Resources Corp. ("Maritime" or the "Company") is dated August 27, 2019 and provides an analysis of our interim financial results for the three and six month periods ended June 30, 2019 and 2018. This MD&A should be read in conjunction with Maritime's condensed interim financial statements and notes thereto for the three and six month periods ended June 30, 2019 and 2018 (the "Financial Statements"), which are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), available on www.sedar.com. This MD&A contains forward-looking statements that are based on management's current expectations, are not historical in nature and involve risks and uncertainties. Forward-looking statements are not guarantees as to Maritime's future results as there are inherent difficulties in predicting future results. Accordingly, actual results could differ materially from those expressed or implied in forward-looking statements (please see "Cautionary Note Regarding Forward-Looking Information" below). The Company's common shares trade on the Toronto Venture Stock Exchange (the "TSX-V") under the stock trading symbol MAE. Additional information relevant to the Company's activities, including the Company's audited financial statements, can be found at www.sedar.com or the Company's website at www.maritimeresources.com.

Maritime is a Canadian-based junior gold and base metals exploration company focused on re-starting its past producing Hammerdown gold mine, located near the Baie Verte Mining District and Springdale in Newfoundland and Labrador as well as exploration on its other properties in the region. Maritime holds a 100% interest in the Green Bay Property, which hosts the former Hammerdown gold mine including resource estimates on two gold deposits, the Hammerdown and the Orion deposits, separated by a 1.5 kilometre distance.

QUARTERLY HIGHLIGHTS

- Discovered a new area of gold mineralization as a result of a regional prospecting program at its 100% owned Whisker Valley project and has expanded the field mapping and sampling program and had expedited the mobilizing equipment to the property to initiate trenching and diamond drilling.
- Expanded the Whisker Valley property with the acquisition of 188 mineral claims, or 47 square kilometers, both along strike to the northeast and to the southwest.
- Completed a regional 1,934 line-kilometre Airborne Magnetic Survey over the Green Bay, Whisker Valley and Gull Ridge properties.
- Completed the 2019 infill diamond drilling program at the Hammerdown mine site; 3,562 metres of infill drilling in 19 drill holes to aiming to convert additional resources into the higher confidence Measured and Indicated categories from Inferred.
- Announced positive metallurgical test results using ore sorting technology for Hammerdown project where the Company realized 40% rejection and 97% gold recovery on a metallurgical sample from the open pit.
- Completed a non-brokered private placement for aggregate gross proceeds of \$6,092,500, considered sufficient to carry out Maritime's 2019 plan (see 2019 Outlook section below).
- Announced high-grade results from its inaugural 650 metre drilling program at the Whisker Valley gold exploration project which commenced in late 2018.
- Entered into an option agreement that extended the Hammerdown, Green Bay Property by over 3,225 hectares.

2019 OUTLOOK

Hammerdown Gold Project

2019 is a critical year for Maritime as it will focus its efforts to advance the Hammerdown gold project towards a production decision. During the second half of 2019, Maritime will continue to investigate the potential for a lower capital, higher margin project design at Hammerdown that will include a greater emphasis on selective open pit mining followed by underground mining. Management anticipates that the capital costs for such a project could be kept to a minimum and that the starter pit approach would allow for quicker access to the near vertical, high-grade



veins. The key to success for this approach is developing a detailed mine production schedule and completing further investigations and trade-off analyses for mineral processing options.

Maritime continues to progress its environmental baseline studies and accelerate its engagement with the local community and regulatory agencies to support the planned feasibility study and project permitting during 2020. The final footprint of the proposed mine will be determined through various engineering studies and will endeavour to minimize environmental impact using industry best practices.

2019 Exploration Plans

Throughout 2019, exploration spending on Maritime's projects will focus primarily on areas within the Hammerdown and Rumbullion deposits that could enhance the upcoming mine plan. Maritime will target high margin areas with an infill drilling program designed to convert inferred resources into the higher confidence measured and indicated mineral categories that can be used later in a feasibility study. The Company will also focus exploration efforts on "near-deposit" targets such as the area between the Hammerdown and Orion deposits and the Rumbullion East vein systems in an effort to grow the existing resource base.

At the Hammerdown gold project, Maritime is following up on the recent 2019 infill program with an additional 8 holes of infill diamond drilling totaling 1,058 metres ("m"). This small infill program is designed to test the Rumbullion East Extension area where near surface intersections of high grade gold were reported in earlier drilling, including 13.7 grams per tonne ("gpt") gold ("Au") over 1.20 m, and 18.0 gpt Au over 0.91 m in drill hole MP-19-64 (see press release dated July 11, 2019). Some of the shallow intersections reported in MP-19-64 are not part of the current resource wireframes and offer the potential to grow the mineral resource estimate. Additional drill holes are planned to also test the western extension of a highly altered felsic volcanic unit where lower grade gold mineralization was intersected over broader intervals in drill hole MP-19-60 which returned 3.34 gpt Au over 4.17 m (see press release dated July 11, 2019).

To the northeast of the Hammerdown gold project, the Hammerdown Deformation Zone, which is host to the Hammerdown and Orion gold deposits, is abruptly faulted along a fold hinge. The stratigraphy in the area takes a north-south strike along the Catchers Pond/Beetle Pond Fault Zone. The Company is systematically exploring this highly prospective trend and an exploration grid has been established to guide the next phases of work, which will include soil geochemical surveys and an Induced Polarization (IP) geophysical survey to test the area for styles of mineralization that are similar to the high grade Hammerdown deposit located 1.3 kilometres to the southwest. Gold deposits in the area, including Hammerdown, have a strong and distinct chargeability response which makes IP surveys an effective exploration tool in identifying new targets.

Outside of the main Hammerdown/Rumbullion deposit areas, Maritime will continue with its exploration work at the Whisker Valley Property. In 2019, the Company commenced a widespread soil geochemical survey to the north of the 2018 drilling campaign at the Whisker Valley Property, where several high-grade gold intersections were encountered below the trenched outcrop (see press release dated February 25, 2019). The Company announced that it has discovered a new area of mineralization at Whicker Valley and has expanded its soil sampling campaign for 2019 to cover the prospective trends and will continue to systematically explore and identify new veins and prospective areas to focus future exploration drilling campaigns.



OVERVIEW

The Company is a gold and base metals exploration company with a focus on Canadian mining opportunities with advanced exploration assets in Newfoundland and Labrador, Canada. Maritime holds a 100% interest in the Green Bay Property, which hosts the former producing Hammerdown gold mine, located near the Baie Verte Mining District and Springdale, Newfoundland and Labrador. Maritime also has a number of highly prospective gold exploration projects including the Whisker Valley and Gull Ridge properties, strategically located on the Baie Verte and Springdale Peninsulas; a prolific gold and base metals mining district.

Hammerdown contains measured and indicated mineral resources of 925,670 tonnes grading 10.6 gpt for 315,535 ounces of gold and inferred mineral resources of 1,557,000 tonnes grading 7.53 gpt for 377,000 ounces of gold. The Orion deposit contains measured and indicated mineral resources of 1,096,500 tonnes grading 4.47 gpt for 157,600 ounces of gold and inferred mineral resources of 1,288,000 tonnes grading 5.44 gpt for 225,300 ounces.

CIM definition standards were followed for the mineral resource estimate. The mineral resource models used Ordinary Kriging grade estimation within a three-dimensional block model with mineralized zones defined by wireframed solids. A cut-off grade of 3.0 gpt Au over 1.2 m was used for reporting mineral resources with capping of gold grades at 125 gpt Au at Hammerdown and 50 gpt Au at Orion. A specific gravity of 2.84 was applied. For additional information relating to the Hammerdown gold project, including the Orion deposit, refer to the NI 43-101 technical report entitled "Pre-Feasibility Study Technical Report, Green Bay Property" with an effective date of March 2, 2017, which is available on the Company's profile at www.sedar.com.

Mineral resources that are not mineral reserves do not have demonstrated economic viability. Mineral resource estimates do not account for mineability, selectivity, mining loss and dilution. These mineral resource estimates include inferred mineral resources that are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves. There is also no certainty that these inferred mineral resources will be converted to the measured and indicated categories through further drilling, or into mineral reserves, once economic considerations are applied.

Exploration activities are administered on site by the Company's Project Manager, NL Properties, Larry Pilgrim, P.Geo. In accordance with National Instrument 43-101 Standards of Disclosure for Mineral Projects, Mr. Pilgrim is the Qualified Person for the Company and has prepared, validated and approved the technical and scientific content of this MD&A. The Company strictly adheres to CIM Best Practices Guidelines in conducting, documenting, and reporting its exploration activities on its exploration projects.

The Hammerdown gold deposit was successfully mined by Richmond Mines between 2000 and 2004 when gold prices averaged US\$325/oz. During its operation, a total of 291,400 tonnes of ore were extracted, at an average grade of 15.83 gpt Au, recovering a total of 143,000 ounces of gold at an 8 gpt cut-off. All of the ore was processed at the Nugget Pond mill, now owned and operated by Rambler Metals and Mining Canada Limited, with an average gold recovery of 97.1%. Mining terminated in 2004 due to low gold prices with extensive gold mineralization remaining, although uneconomic at that time. The Orion gold deposit consists of two main vein systems, both of which are exposed on surface and open along strike, and down plunge to the northeast.

The Company has also entered into four option to purchase agreements for projects within 10 kilometres of its Hammerdown project (see Exploration section below).

The Whisker Valley properties are earlier stage exploration targets that have returned excellent results from the first phase trenching and geophysical programs carried out in late 2017 and the first two quarters of 2018. During the fourth quarter of 2018, the Company completed a first stage drill program of approximately 650 m to follow up on the success of the early stage programs.

On April 12, 2019, the Company announced that it closed a non-brokered private placement raising aggregate gross proceeds of \$6,092,500 through the issuance of a combination of units (the "Units") at a price of \$0.10 per Unit and



flow-through units (the "FT Units") at a price of \$0.12 per FT Unit (the "Offering"). The Company issued a total of 56,896,662 Units and FT Units; 36,755,000 Units and 20,141,662 FT Units. Each unit consisted of one common share and one-half (1/2) of one transferable common share purchase warrant that entitles the holder to acquire one common share of the Company at a price of \$0.15 per common share for a period of 24 months following the closing date of the Offering. The Company paid aggregate finders' and advisory fees to certain brokers of \$412,909 and 3,863,294 finders' warrants, including \$156,532 and 1,563,273 finders' warrants to Dundee Goodman Merchant Partners, a division of Goodman & Company, Investment Counsel Inc. As an advisor, Sprott Capital Partners LP received \$156,532 and 1,563,273 finders' warrants, and for certain orders, received finders' fees in the aggregate of \$11,995, for services related to its engagement. Following the financing, Dundee Corporation's wholly owned subsidiary, Dundee Resources Limited now owns 36,932,036 shares of Maritime, representing an approximate 19.54% interest.

On August 1, 2019, Maritime announced the retirement of Bernard Kahlert, P.Geo. who served as Vice President of Exploration for the Company.

In February 2019, the Company announced the appointment Mr. Garrett Macdonald as President and Chief Executive Officer, Ms. Germaine Coombs as Chief Financial Officer and Ms. Lorna MacGillivray as Corporate Secretary.

EXPLORATION

Maritime's Green Bay, Whisker Valley and Gull Ridge properties straddle two major fault systems, the Baie Verte Fault Line and the Green Bay Fault. It is believed that these regional fault structures and closely related splay faults played a significant role in the formation of gold and base metal mineralization in the area. The properties were selected to target the gold potential along this significant regional structural belt, that has juxtaposed a wide variety of rock types originating from a variety of depositional environments. The Baie Verte Peninsula properties include an association with a regional deep crustal fault zone and important conduits for gold bearing fluids. Gold mineralization is epigenetic, structurally-controlled and often associated with splays or secondary structures off regional-scale fault zones; and gold mineralization occurs in a wide range of rock types, and styles.

Maritime's exploration to date on its Green Bay and Whisker Valley projects has recognized the importance of these large-scale regional structures as the conduits for the localization and transport of mineralizing fluids and the secondary splay structures as a depositional environment for these gold rich fluids. This mineralizing system has been productive and formed the Hammerdown Mine gold deposit where high-grade gold and significant widths have been demonstrated. Similarities have also been recognized between the mineralization at Hammerdown with the gold mineralization discovered on Maritime's adjacent Whisker Valley property.

The results achieved to date on the Whisker Valley and Gull Ridge properties have been encouraging. In 2019, Maritime has an extensive exploration plan in place, focusing on advancing major gold targets identified to date and regional property wide exploration to identify new targets that may have been overlooked as a result of the patchwork nature of the historical work. The 2019 program entails geological and structural mapping, sampling, ground geophysics, trenching and diamond drilling. In July 2019, the Company completed a regional 1,934 line-kilometre and high-resolution airborne gradient magnetic and VLF survey over the Green Bay, Whisker Valley and Gull Ridge properties to enhance the regional geological model and identify prospective corridors and locations for the next phases of detailed ground exploration, including soil geochemical sampling and ground IP surveys.

Green Bay Project

Maritime's Green Bay property in central Newfoundland and Labrador hosts the Company's gold and base metal deposits. The recently closed (2004) Hammerdown Mine includes the adjacent Rumbullion and Muddy Shag Gold deposits. The Orion Gold deposit is situated 1.5 kilometres to the Southwest and the Lochinvar base-precious metal VMS deposit is located one kilometre east of Hammerdown.



The main Hammerdown deposit is cut off by a major fault and geological interpretations currently favours that part of the deposit has been offset at depth. An exploration model is being developed to test for the extension of this deposit. The Rumbullion vein system extends for 800 metres to the northeast of the current deposit area and represents a further opportunity to add new, shallow resources into the Hammerdown resource base. Recent optioning of the adjacent Inomin Resources property has added further potential extension to the Rumbullion trend.

Hammerdown 2019 Infill Program

The 2019 infill program was completed with a total of 19 diamond drill holes for 3,562 metres within the Hammerdown and Rumbullion deposit areas. The purpose of the 2019, and 2018, infill programs was to fill in specific gaps in the data in order to convert additional resources into the higher confidence Measured and Indicated categories from Inferred.

The 2019 drilling of the inferred resources at the Hammerdown gold deposit was successful in defining the continuity of a number of the gold veins in the hangingwall and footwall to the historical mining, as well as continuity of the vein system below the mined-out areas. It is important to note as well that the 2019 drilling also intersected an intensely altered and mineralized unit referred to as a sheared felsic volcanic (SFV). The SFV unit was also sampled in the 2018 drilling campaign and returned gold grades up to 3.54 g/t Au over 2.63 meters (See press release June 4th, 2018). These lower grade intersections are significant in that they are close to surface, historically this unit was overlooked and not included in the mineral resources and may add additional ounces to the current Hammerdown resource.

Program highlights included: (for complete table of assay results and hole locations, see press release dated July 11, 2019)

- 13.7 grams per tonne (“gpt”) gold (“Au”) over 1.2 m, including 18.0 gpt Au over 0.91 m in drill hole MP-19-64
- 21.2 gpt Au over 1.2 m, including 28.0 gpt Au over 0.9 m in drill hole MP-19-64
- 4.6 gpt Au over 4.8 m, including 15.1 gpt Au over 1.2m in drill hole MP-19-64
- 5.0 gpt Au over 2.4 m, including 54.6 gpt Au over 0.2 m in drill hole MP-19-58
- 3.5 gpt Au over 1.3 m, including 10.3 gpt Au over 0.5 m in drill hole MP-19-57
- 9.9 gpt Au over 1.4 m, including 33.4 gpt Au over 0.4 m in drill hole MP-19-50
- 10.0 gpt Au over 1.1 m, including 53.7 gpt Au over 0.2 m in drill hole MP-19-48
- 15.0 gpt Au over 1.3 m, including 24.3 gpt Au over 0.3 m in drill hole MP-19-66

Reported core lengths represent 70-100% of true widths and are supported by well-defined mineralization geometries derived from historical drilling.

Hammerdown 2018 Drilling Program on the J, K and L Veins

The Company completed 1,733 m of drilling in 31 drill holes immediately south of the historical open pit mining area. The program was designed to follow up on the unmined J, K L and M3 gold rich quartz/sulphide vein system that was outlined from a surface trenching program late 2017 and to test the mineralization in the top 30 m below surface. The goal of the program was to outline a new mineral resource that could potentially be evaluated as a start-up open pit mining operation. During start-up of the original Hammerdown Mine in 2000, Richmond produced approximately 8,500 ounces from the small open pit over a period of just four months before commencing underground operations.

Drill core assays from the Phase 1 diamond drill hole program reported over 100 significant gold assay intercepts in the area immediately southwest and south of the historical open pit mining. A number of the previously designated gold vein zones were intersected in the 2018 program including the J, K, L and M3 vein system. The drilling also identified lower grade zones (1 to 5 gpt Au assays) newly designated as the SFV (sheared felsic volcanic) and QFP (quartz feldspar porphyry) which were not adequately sampled and assayed during the historical exploration and



mining period. This newly identified lower grade mineralization is close enough to surface to be captured into a new open pit shell or smaller satellite shell.

The Phase 1 drill hole collars were surveyed and brought into the Company's 3D software to evaluate the continuity of zones. These results will be compiled along with all the available historical drilling data in the area to determine if these new shapes can be used to establish a resource/reserve as an open pit shell design.

Table 1. Significant Drill Hole Intersections -- Hammerdown 2018 Drilling Program on the J, K and L Veins

Vein/Zone	Drill Hole	From	To	Width (m)	Au (gpt)
K1 Zone	MP-18-31	22.85	23.88	1.03	6.66
	Includes	22.85	23.21	0.36	13.79
K2 Zone	MP-18-31	26.75	29.00	2.25	2.11
K3 Zone	MP-18-31	36.20	37.72	1.52	2.78
K1 Zone	MP-18-34	29.83	31.03	1.20	3.12
	Includes	30.33	30.53	0.20	18.20
K1 Zone	MP-18-36	73.11	74.07	0.96	2.96
SFV	MP-18-37	16.07	17.84	1.77	1.77
K1 Vein	MP-18-39	68.50	69.70	1.20	10.95
	Includes	69.00	69.20	0.20	54.32
K2 Vein	MP-18-42	12.20	13.64	1.44	27.20
	Includes	12.70	13.14	0.44	88.60
K3 Vein	MP-18-42	14.53	16.29	1.76	3.87
	Includes	14.53	15.03	0.50	9.84
SFV	MP-18-44	41.22	42.58	1.36	1.99
SFV	MP-18-46	21.00	22.00	1.00	2.21
QzPy Vein	MP-18-47	12.59	14.11	1.52	3.36
	Includes	13.19	13.61	0.42	11.89

New Property Acquisition

During the third quarter of 2018, the Company finalized an Option to Purchase Agreement with Inomin Mines Inc. to earn a 100% interest in a property comprised of two separate claim blocks consisting of a total of 129 claim units covering over 3,225 hectares (the "King's Point Property"). The King's Point Property covers geological extensions to the Company's Hammerdown gold deposit that host a number of high-grade gold veins and base metal occurrences.

The northern claim block is located within two kilometres of the Hammerdown gold deposit. This property covers known extensions of the gold bearing deformation zone that host the Hammerdown and Orion deposits including several narrow gold vein intercepts within the Golden Anchor prospect. These veins are similar to the Hammerdown veins with historic samples assaying up to 3 gpt Au and have never been followed up. Under the terms of the agreement Maritime will earn 100% interest in the Inomin property over a 3-year period by spending \$600,000 making cash payments totaling \$300,000 and issuing 2,000,000 shares of Maritime in accordance with the following schedule:

	Cash \$	Common shares #	Minimum required exploration expenditure \$
Upon approval	25,000 (paid)	500,000 (issued)	-
September 17, 2019	50,000	500,000	75,000
September 17, 2020	100,000	500,000	150,000
September 17, 2021	125,000	500,000	375,000
	300,000	2,000,000	600,000



Throughout 2019, the Company is continuing its surface work on the King's Point Property, mainly prospecting, geochemical sampling and mapping on both the historical target as well as new areas.

Whisker Valley Project

The Whisker Valley project is comprised of 32 licenses, 606 claims and 15,150 hectares and is located six kilometers northwest of the Company's high-grade Hammerdown gold project. In August 2019, the Company staked an additional 188 mineral claims, or 47 square kilometers, both along strike to the northeast and to the southwest. The Company now holds 216 square kilometers along a strike length of 31.5 kilometers of the favourable geology that is host to numerous gold prospects and showings.

On August 27, 2019, the Company announced it has discovered a new area of gold mineralization as a result of a regional prospecting program at its 100% owned Whisker Valley project and has expanded the field mapping and sampling program and had expedited the mobilizing equipment to the property to initiate trenching and diamond drilling. The current field mapping and sampling programs have identified extensive gold and base metal targets across the Whisker Valley. Although in the early stages of exploration, the widespread extent of gold mineralization in soils, grab samples and at the Ben, Gary and Jackson veins plus the increased abundance of copper sulphides are strong indications of an extensive hydrothermal system and that we may be close to identifying the source of the veins. This current exploration focus is at the northern portion of a prominent magnetic low trend, approximately 10 kilometres in length, identified in the recently completed airborne survey. Magnetic low trends are associated with the areas of hydrothermal alteration observed in the detailed surface mapping, sampling programs and initial diamond drilling at Whisker. The Company has expanded its soil sampling campaign for 2019 to cover the prospective trends and will continue to systematically explore and identify new veins and prospective areas to focus our future exploration drilling campaigns.

The Company's prospecting team have identified a new mineralized boulder field located directly across the valley from the high-grade Ben, Jackson and Gary quartz veins. The newly discovered float samples resemble the mineralization from these veins, however based on glacial ice direction movement on the property and the angularity of the float samples, it is believed that they are derived from a proximal bedrock source area. Overburden (glacial till) is generally less than 2.0 metres thick in this area. A total of 405 angular float samples ranging in size from 0.1 to 0.5 metres have been collected and assayed in 2018 and 2019 across the Whisker Valley project with thirty nine (39) angular float samples from the newly discovered boulder field assaying greater than 1.0 gpt Au found in this area. These samples assayed up to 83.8 gpt Au, 154.0 gpt silver ("Ag") and 1.6% Cu and averaged 12.2 gpt Au, 20.3 gpt Ag and 0.4% Cu. Eleven (11) angular float samples in this set assayed greater than 10.0 gpt Au, averaging 33.8 gpt Au, 39.6 gpt Ag and 0.93% Cu.

Results from an additional 50 float samples for this area are pending and the Company is hopeful that the results, once received, will assist in tracing the mineralized float to their bedrock source. Trenching is planned in this area and if successful results are obtained, follow up diamond drilling will be conducted to test the depth extent of any surface mineralization identified.

Whisker Valley is characterized by a series of three sulphide bearing quartz veins containing high grade gold (Gary, Ben and Jackson). The high-grade nature of the veins has been encountered over the entire 200 metres of exposed trenches and is open in both directions. The similarities to Hammerdown are very evident, even at this early stage of exploration.

Table 2. Significant Drill Hole Intersections -- Whisker Valley December 2018 Drill Program

Vein/Zone	Drill Hole	From (m)	To (m)	Width (m)	Au (gpt)
Gary	WH-18-01	83.50	84.49	0.99	1.69
	WH-18-01	93.45	96.64	3.19	3.16
	WH-18-01	98.30	98.50	0.20	2.65



Vein/Zone	Drill Hole	From (m)	To (m)	Width (m)	Au (gpt)
Jackson	WH-18-02	82.80	83.60	0.80	4.08
	WH-18-02	85.41	85.70	0.29	15.18
Ben	WH-18-03	32.07	32.19	0.12	3.05
	WH-18-03	33.89	34.09	0.20	1.52
	WH-18-03	45.10	46.07	0.97	16.04
	Including	45.67	46.07	0.40	36.61
Gary	WH-18-04	42.30	42.55	0.25	5.54
	WH-18-04	73.37	73.70	0.33	24.06

Ben Vein

The Ben Vein has been exposed over a strike length of 90 metres and remains open in both directions. Results from the most westerly portion of the Ben 1 Vein has returned a weighted average grade over 31 metres of 7.57 gpt Au over an average width of 1.31 metres. The Ben 2 Vein returned a weighted average grade over 31 metres grading 13.42 gpt Au over an average width of 1.09 metres. These are parallel veins that sit approximately two metres apart at the western end of the exposed system. The most recent assays of the easterly extension of the Ben 2 Vein has returned composited grades of 4.25 gpt Au over a strike length of 13.00 metres, 2.02 gpt Au over a strike length of 22.50 metres, 4.7 gpt Au over a strike length of 5 metres, as well as, 1.34 gpt Au over a strike length of 17.50 metres.

Jackson Vein

The Jackson Vein has been mapped over a total strike length of 84 metres with composited results from the most easterly 34 metre section of the vein returning a weighted average grade of 13.66 gpt Au with an average vein width of 1.23 metres. Assays of the westerly extension of the Jackson 2 Vein have returned composited grades of 10.22 gpt Au over a strike length of 23.75 metres, as well as 3.59 gpt Au over a strike length of 26.25 metres as outlined in the table above. Significant to note as well are the occurrence of mineralized tension gash veins/ alteration in the immediate hanging wall and footwall to the Jackson Vein. Assays from several tension gash/ alteration returned 15.73 gpt Au over 0.30 metres, 3.78 gpt Au over 0.36 metres as well as 20.38 gpt Au over 0.15 metres.

Gary Vein

The Gary Vein is located on the most easterly exposed portion of the vein system discovered during the trenching program last fall. The vein is represented by a robust gold base metal bearing quartz vein, containing localized occurrences of galena, pyrite and chalcopyrite and visible gold hosted in altered granitic rocks. The Gary Vein has now been mapped over a strike length of 28 metres and remains open in both directions. Results from the channel samples returned a weighted average grade of 16.61 gpt Au with an average vein width of 0.91 metres over a projected calculated sample strike length of 38 metres. The most easterly sample returned grades of 25.67 gpt Au with the most westerly sample returning grades of 42.91 gpt Au. Drill hole WH-18-4 was drilled on the IP anomaly 50 metres east of the last vein exposure and encountered the Gary Vein with high grade gold values. This demonstrates that the IP survey detects the extension of the Gary Vein.

Whisker Valley Geophysical Program

A detailed Induced Polarization (IP) program was completed at Whisker Valley in March of 2018. Approximately 15-line kilometres of surveying was completed on 50 metre spaced lines over the new Whisker Valley vein system which has outlined a series of high-grade gold veins as recently reported by Maritim. The gold veins carry disseminated pyrite and base metals sulphides which are detectable by the IP geophysical method. The 2018 IP Survey was designed to test the depth potential of the known vein system as well as search for extensions to the east and west ends of the veins. The last vein exposures at the east and west ends were channel sampled returning high-grade gold assay results exceeding 10 gpt Au on the west end and 20 gpt Au on the east end. The gold veins carry with them disseminated pyrite and base metals sulphides which are detectable by the IP geophysical method. The detailed IP program was completed in February and March 2018 and covered approximately 10-line kilometres on 50 metre spaced lines.



Interpretation of the IP Survey by consulting Geophysicist Cliff Candy, P.Geo., of Frontier Geosciences, outlined four significant anomalous responses in the survey area. The IP survey returned a strong positive response over a continuous 500 metre target area. This survey demonstrated anomalous values over the entire length of the known vein system and further extends the target area 200 metres to the east and 100 metres to the west.

The geophysical anomalies generally show increasing in strength with depth, indicating increasing sulphides in deeper portions of the veins. The strongest IP response is over the 50 metre long Gary Vein and extends for further 150 metres to the east, likely due to the presence of sulphides which is associated with gold at the Gary vein.

In March 2019, a walking magnetic survey was completed over the immediate areas of the Ben, Jackson and Gary trenches. The detailed survey indicated the relationship of the mineralized veins to magnetic rock units interpreted to be magnetic mafic dykes. The new magnetics also defined previously unknown fault structures that influence the vein extensions.

Whisker Valley Option Agreements

On February 27, 2017, the Company entered into an agreement to acquire a 100% interest in the Whisker Valley property in the Baie Verte mining district of Newfoundland and Labrador, Canada, under the following terms:

	Cash \$	Common shares #	Minimum required exploration expenditure \$
Upon approval	25,000 (paid)	100,000 (issued)	-
March 22, 2018	20,000 (paid)	150,000 (issued)	100,000 (incurred)
March 22, 2019	30,000 (paid)	200,000 (issued)	250,000 (incurred)
March 22, 2020	50,000	250,000	300,000
March 22, 2021	75,000	300,000	500,000
March 22, 2022	100,000	500,000	500,000
	300,000	1,500,000	1,650,000

The Company is required to make an additional payment to the optionors of \$50,000 on each of the first, second and third anniversary upon full exercise of its option having issued all of the payments and shares and incurred all of the expenditures. The property is subject to a 2.5 % NSR, of which 1% can be purchased for \$1,000,000 on or before the end of the second anniversary of commencement of commercial production.

On November 16, 2017, the Company further expanded the Whisker Valley project by entering into an agreement to acquire 100% interest in the El Strato property in Newfoundland and Labrador, Canada (contiguous to Whisker Valley), under the following terms:

	Cash \$	Common shares #
Upon approval	5,000 (paid)	250,000 (issued)
November 23, 2018	10,000 (paid)	250,000 (issued)
November 23, 2019	25,000	250,000
	40,000	750,000



On December 1, 2017, the Company also added to the Whisker Valley project by entering into an agreement to acquire 100% interest in the Strugglers Pond property in Newfoundland and Labrador, Canada (contiguous to Whisker Valley), under the following terms:

	Cash \$	Common shares #	Minimum required exploration expenditure \$
Upon approval	2,000 (paid)	10,000 (issued)	5,000 (incurred)
December 27, 2018	3,000 (paid)	15,000 (issued)	25,000 (incurred)
December 27, 2019	10,000	25,000	50,000
December 27, 2020	15,000	50,000	120,000
	30,000	100,000	200,000

Both the El Strato and Strugglers Pond properties are subject to separate 2% NSR royalties, of which 1% can be purchased for \$1,000,000 on or before the end of the second anniversary of commercial production.

Gull Ridge Project

In January 2019, the Company staked the new Gull Ridge project claims which include approximately 6,450 hectares on 258 claim units situated in the southern part of the Baie Verte Peninsula. The Gull Ridge property has been recognized by Maritime as a significantly underexplored target area for base and precious metals. During the 2019 exploration season Maritime will complete a comprehensive compilation of all historical exploration data completed over the Gull Ridge property area. Field work in 2019 will consist of field mapping, prospecting and focused geochemistry.

FINANCIAL POSITION

Cash and cash equivalents

Cash totaled \$5,444,387 as at June 30, 2019, compared to \$2,359,066 as at December 31, 2018. The increase in cash and cash equivalents is mainly due to non-brokered private placement that closed in April 2019, partially offset by expenditures on the Company's exploration activities, corporate general and administrative expenses as well as severances paid during the first quarter of 2019. The Company's Canadian cash and cash equivalents are held on deposit or in highly liquid, fully redeemable Guaranteed Investment Certificates with a major Canadian bank.

Receivables

Receivables of \$169,345 as at June 30, 2019, compared to \$40,953 as at December 31, 2018 related mainly to input sales tax and increased as a result of increased exploration activities during 2019.

**Mineral properties**

Expenditures incurred on the Company's 100% owned Green Bay, Whisker Valley and Gull Ridge properties, follow:

	Green Bay \$	Whisker Valley \$	Gull Ridge \$	Total \$
Balance, December 31, 2017	6,250,856	218,748	-	6,469,604
Acquisition costs – cash	25,000	48,000	-	73,000
Acquisition costs – shares	45,000	37,700	-	82,700
Exploration expenses:				
Drilling and assaying	289,772	77,842	-	367,614
Geology and engineering	473,476	146,442	-	619,918
Property	55,991	585	-	56,576
Geophysics	11,208	47,500	-	58,708
Other	13,266	9,611	-	22,877
	913,713	367,680	-	1,281,393
Less: Recoveries and grants	(10,153)	-	-	(10,153)
Net additions	903,560	367,680	-	1,271,240
Balance, December 31, 2018	7,154,416	586,428	-	7,740,844
Acquisition costs – cash	-	30,000	3,870	33,870
Acquisition costs – shares	-	19,000	-	19,000
Exploration expenses:				
Drilling and assaying	441,400	-	-	441,400
Geology	301,962	149,679	5,719	457,360
Property	35,055	-	-	35,055
Pre-feasibility study update	208,283	-	-	208,283
	986,700	198,679	9,589	1,194,968
Less: Recoveries and grants	(65,250)	-	-	(65,250)
Net additions	921,450	198,679	9,589	1,129,718
Balance, June 30, 2019	8,075,866	785,107	9,589	8,870,562

During the six month period ended June 30, 2019, the Company received \$65,250 (2018 – \$10,153) pursuant to an application made with the Government of Newfoundland and Labrador in respect of the Newfoundland and Labrador Mineral Incentive Junior Exploration Assistance Program (JEAP) grant for exploration conducted during 2018 and 2017, respectively.

Right of use asset and lease liability

The Company has applied IFRS 16 using the modified retrospective approach which requires the cumulative effect of initial application to be recognized in retained earnings at January 1, 2019. On adoption of IFRS 16, the Company recognized a lease liability for an office lease previously classified as an operating lease under IAS 17. The liability was measured at the present value of the remaining lease payments, discounted using the Company's applicable incremental borrowing rate as of January 1, 2019 of 8% and assumes Maritime will not renew the lease upon termination. On transition, the associated right-of-use asset was measured at \$106,720 being the amount equal to the lease liability. During the six month period ended June 30, 2019, the lease liability was reduced by \$42,688 for payments during the period. As at June 30, 2019, the Company is required to pay \$33,000 in undiscounted lease payments over the remaining term which are due within one year.

The Company has elected not to recognize a right of use asset and lease liability for a month to month sub lease that it has for its Toronto office. This lease can be terminated without permission with no significant penalty and does



not meet the definition of an enforceable contract under IFRS 16. The lease payments associated with this lease are charged directly to the statement of loss and comprehensive loss.

Accounts payable and other liabilities

Accounts payable and accrued liabilities were \$376,875 as at June 30, 2019 compared to \$121,441 as at December 31, 2018. The increase is due to the increased level of activities at the Company's exploration projects during the period.

Loan

On April 25, 2017, the Company entered into a loan arrangement ("Bridge Financing Agreement") pursuant to which it received \$500,000 and provided for a maturity date of one year (the "Maturity Date"), interest of 8% per annum and was repayable upon earliest of: the maturity date, raising \$2,000,000 or more in equity or debt financing, or committing an event of default. In connection with the Bridge Financing Agreement, the lender received a bonus of 333,333 common shares of the Company valued at \$46,667, non-transferable warrants valued at \$105,387 allowing for the purchase of up to, in the aggregate, 1,666,666 additional common shares of the Company at \$0.15 per share, which expired unexercised on April 26, 2018, and cash finders fees of \$30,000. The effective interest rate, including bonus shares and warrants was 44%. During the period ended March 31, 2018, the Company recorded accrued interest of \$9,315 and accretion expense of \$57,360 in the statement of loss and comprehensive loss and the loan balance accreted to \$500,000. On March 26, 2018, the loan of \$500,000 and related interest of \$36,712 was repaid.

Private placements and flow-through premium liability

- Pursuant to a non-brokered private placement on April 24, 2019, the Company raised aggregate gross proceeds of \$6,092,500 through the issuance of a combination of units (the "Units") at a price of \$0.10 per Unit and flow-through units (the "FT Units") at a price of \$0.12 per FT Unit (the "Offering"). The Company issued a total of 56,896,662 Units and FT Units; 36,755,000 Units and 20,141,662 FT Units.

Each Unit consists of one common share and one-half of one transferable common share purchase warrant ("Warrant"). Each whole Warrant entitles the holder to acquire one common share of the Company at a price of \$0.15 per common share for a period of 24 months following the closing date of the Offering (the "NFT Warrants"). Each FT Unit consists of one common flow-through share and one half of one transferable common share purchase warrant ("FT Warrant"). Each whole FT Warrant entitles the holder to acquire one non flow-through common share of the Company at a price of \$0.15 per common share for a period of 24 months following the closing date of the Offering (the "FT Warrants").

The flow-through shares were issued at a premium of \$402,833. Pursuant to the Company incurring eligible flow-through expenditures during the three month period ended June 30, 2019, \$15,806 was recognized into income. The Company expects to incur the remaining \$2,322,162 of eligible flow-through expenditures during 2019.

In connection with this private placement, the Company paid aggregate finders' and advisory fees of \$412,909 and 3,863,294 finders' warrants, including \$156,532 and 1,563,273 finders' warrants to Dundee Goodman Merchant Partners, a division of Goodman & Company, Investment Counsel Inc. As an advisor, Sprott Capital Partners LP received \$156,532 and 1,563,273 finders' warrants, and for certain orders, received finders' fees in the aggregate of \$11,995, for services related to its engagement.

Transaction costs relating to the Offering amounted to \$594,723, consisting of cash costs of \$468,161, which includes an arm's length aggregate finders' and advisory fees totaling \$412,909, as well as regulatory and legal fees relating to the offering, and non-cash costs of \$126,562 relating to the fair value attributed to 3,863,294 finders' warrants issued as additional compensation. The fair value attributed to the finders' warrants was determined using the Black-Scholes valuation model using the following assumptions: Risk free interest rate of 1.63%, expected life of two years,



and volatility rate of 80.56%. Each finders' warrant entitles the holder to purchase one common share of the Company at a price of \$0.15 per finders' warrant Share for a period of 24 months following the closing date of the Offering.

- Pursuant to a private placement on November 7, 2018, the Company issued 25,460,900 non flow-through units ("November 2018 NFT Units") at \$0.11 per unit and 5,402,000 flow-through units ("November 2018 FT Units") at \$0.13 per unit, for gross proceeds of \$3,502,959. Each unit consisted of one flow-through common share of the Company and one-half of one common share purchase warrant, where each whole warrant entitles the holder to purchase one common share of the Company at a price of \$0.15 per warrant share expiring November 7, 2020. The flow-through shares were issued at a premium of \$108,040. Pursuant to the Company incurring eligible flow-through expenditures during the three month period ended June 30, 2019, the remaining \$75,413 of flow-through premium was recognized into income.

In connection with this private placement, the Company issued 2,152,791 finders' units. Each finders' unit is comprised of one common share and one-half (1/2) of one non-transferable warrant where each whole finders' unit warrant is exercisable to purchase one common share of the Company at a price of \$0.15 per common share for a period of 24 months expiring November 7, 2020. Also in connection with this private placement, finders' fees of 2,152,791 finders' warrants were issued and entitle the holder to purchase one common share of the Company at a price of \$0.11 per finders' warrant share for a period of 24 months expiring November 7, 2020.

The finders' unit warrants and the NFT finders' warrants were valued at \$22,344 and \$60,365, respectively, using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 1.90%, expected life of 1.5 years, expected volatility of 72.74% and dividend yield of 0% and recorded to share issuance costs.

- Pursuant to a private placement on July 6, 2018, the Company issued 7,600,000 non flow-through units ("July 2018 NFT Units") at \$0.10 per unit and 5,166,667 flow-through units ("July 2018 FT Units") at \$0.12 per unit, for gross proceeds of \$1,380,000. Each July 2018 FT Unit consisted of one flow-through common share of the Company and one-half of one common share purchase warrant (the "July 2018 FT Warrant"). Each whole July 2018 FT Warrant entitles the holder to purchase one common share of the Company (the "July 2018 FT Warrant Share") at a price of \$0.20 per July 2018 FT Warrant Share expiring January 6, 2020. The flow-through shares were issued at a premium of \$103,333. The Company recognized the remaining \$20,698 into income during the three month period ended March 31, 2019, following the recognition of \$82,635 in income during the year ended December 31, 2018 pursuant to the Company incurring eligible flow-through expenditures.

Each July 2018 NFT Unit consisted of one non flow-through common share of the Company and one-half of one common share purchase warrant (the "July 2018 NFT Warrant"). Each whole July 2018 NFT Warrant entitles the holder thereof to purchase one common share of the Company (the "July 2018 NFT Warrant Share") at a price of \$0.20 per July 2018 NFT Warrant Share for expiring January 6, 2020. In connection with this private placement, finders' fees of \$30,000 were paid and 480,000 July 2018 NFT Finders' Warrants were issued. Each July 2018 NFT Finders' Warrant entitles the holder to purchase one common share of the Company at a price of \$0.20 per share until January 6, 2020. The July 2018 NFT Finders' Warrants were valued at \$17,319 using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 1.90%, expected life of 1.5 years, expected volatility of 98.47% and dividend yield of 0% and recorded to share issuance costs.

- On December 15, 2017, the Company announced a non-brokered private placement of up to \$2,000,000 through the issuance of a combination of non flow-through units ("December 2017 NFT Units") at \$0.10 per Unit and flow-through units ("December 2017 FT Units") at a price of \$0.12 per December 2017 FT Unit. Each Unit consists of one common share and one-half of one common share purchase warrant ("December 2017 Warrant"). Each whole December 2017 Warrant entitles the holder to acquire one common share of the Company at a price of \$0.20 per common share for 18 months following the closing date of the private placement (the "December 2017 NFT Warrant Share").



The December 2017 private placement closed in 4 tranches and raised gross proceeds of \$608,000 in the first tranche during the year ended December 31, 2017 and \$1,134,754 in 3 tranches in each of the January, February and March months of 2018 as follows:

Closing Date	January 11	February 15	March 21	Total
Gross Proceeds	\$326,920	\$277,834	\$530,000	\$1,134,754
FT Shares Issued	666,000	250,000	-	916,000
NFT Shares Issued	2,470,000	2,478,340	5,300,000	10,248,340
Warrants Issued	1,568,000	1,364,170	2,650,000	5,582,170
Warrant Exercise Price	\$0.20	\$0.20	\$0.20	
Warrant Expiry Date	July 11, 2019	August 15, 2019	September 21, 2019	
Finders' Fees				
Cash	-	\$8,400	\$15,000	\$23,400
NFT Shares Issued	-	488,480	-	488,480
Warrants Issued	-	824,886	350,000	1,174,886
Exercise Price	-	\$0.20	\$0.20	
Expiry Date	-	August 15, 2019	September 21, 2019	

The flow-through shares, issued in the January 11 and February 15 tranches, were issued at premiums of \$13,320 and \$5,000, respectively. \$15,006 of the premium was recognized into income during the period ended June 30, 2018 and was fully recognized into income during the year ended December 31, 2018.

Flow-through premium liability	\$
Balance – December 31, 2017	63,982
Flow-through premium liability additions	229,693
Settlement of flow-through premium to income	(164,937)
Balance – December 31, 2018	128,738
Flow-through premium liability additions	402,833
Settlement of flow-through premium to income	(144,545)
Balance – June 30, 2019	387,026

Shares issuances related to property option agreements

During the six month period ended June 30, 2019, the Company issued 200,000 common shares valued at \$19,000 in connection with the Whisker Valley property. During 2018, the Company issued 150,000 common shares valued at \$16,500 in connection with the Whisker Valley property; issued 500,000 common shares valued at \$45,000 in connection with the Inomin property; issued 250,000 common shares, valued at \$20,000, in connection with the El Strato property; and issued 15,000 common shares, valued at \$1,200, in connection with the Struggler Pond property.

Royalty units

During fiscal 2016, the Company issued Royalty Units with a price of \$0.01 per Royalty Unit, and, subject to written consent of the Company, may be assigned or transferred in their entirety only. The proceeds of \$210,700 received in relation to the Royalty Units has been recorded as a Royalty Reserve within Equity.

Royalty Units will return 100% of the original investment made by the purchasers and is to be paid out of production from the Company's Green Bay project. The likelihood of the project going into production cannot be determined at this time. Total royalties payable from the Royalty Units ("Royalty Payment") are capped at \$3,440,500 being the price for which the Equity Units (comprised of common shares and common share warrants) and Royalty Units were purchased. Royalty Payments will be made annually beginning on the first anniversary of the date of commencement of commercial production for the Project. Royalty Payments will be funded solely from 10% of annual net cash flow



from the Project, with net cash flow representing net production revenues realized from the Project after deduction of all Project operating and debt servicing costs. At the option of the Company, Royalty Payments will be paid either in cash or in gold.

Hostile takeover bid

Pursuant to discussions which commenced during the first quarter of 2018, on April 13, 2018, Anaconda Mining Inc. ("Anaconda") made a formal unsolicited offer to the Company and its shareholders, to acquire all of the issued and outstanding shares of the Company. The offer contemplated the exchange of one common share of the Company for consideration of 0.39 of a common share in Anaconda. The Company engaged legal counsel, financial advisors and strategic advisors to evaluate Anaconda's offer and incurred expenditures of \$515,335 as of June 30, 2018, relating to this offer. On July 12, 2018, Anaconda withdrew their offer.

RESULTS OF OPERATIONS

	Three months ended June 30			Six months ended June 30		
	2019	2018	Change	2019	2018	Change
	\$	\$	\$	\$	\$	\$
Expenses						
Salaries and benefits	137,320	-	(137,320)	231,634	-	(231,634)
Severance	-	-	-	884,497	-	(884,497)
Administration	76,744	82,348	5,604	152,383	170,847	18,464
Consulting	-	109,930	109,930	28,000	196,930	168,930
Professional fees	19,976	23,605	3,629	47,424	38,294	(9,130)
Professional fees - hostile takeover	-	515,335	515,335	-	515,335	515,335
Directors' fees and expenses	20,093	4,500	(15,593)	37,593	9,000	(28,593)
Investor relations and promotion	32,792	258,296	225,504	45,270	423,444	378,174
Share based payment	320,488	-	(320,488)	320,488	-	(320,488)
Depreciation	21,344	-	(21,344)	42,688	-	(42,688)
Interest expense on lease liability	1,586	-	(1,586)	3,584	-	(3,584)
Financing expense, accretion and interest on loans payable	-	-	-	-	66,675	66,675
	(630,343)	(994,014)	363,671	(1,793,561)	(1,420,525)	(373,036)
Interest income	22,868	-	22,868	28,449	-	28,449
Flow-through premium liability	91,220	52,944	38,276	144,545	78,987	65,558
Loss for the period	(516,255)	(941,070)	424,815	(1,620,567)	(1,341,538)	(279,029)

For the three and six month periods ended June 30, 2019, the Company incurred a loss and comprehensive loss in the amount of \$516,255 and \$1,620,567, respectively compared to a loss of \$941,070 and \$1,341,538 for the three and six month periods ended June 30, 2018. Expenses during the six months ended June 30, 2019 were higher than the comparative period mainly due to the payment of severance of \$884,497 to the former management team of the Company partially offset by lower corporate expenses during the period (See Transactions with Related Parties below). Depreciation and interest expense on lease liability relate to the amortization of the right of use asset and accretion of the lease liability for an office lease of the Company under the new accounting policy adoption for Leases as of January 1, 2019 (see New Accounting Standards below).

During the three and six month periods ended June 30, 2019, the Company granted 4,850,000 stock options to directors, officers, consultants and employees of the Company, of which 4,650,000 vest immediately and 50,000 will vest every three months, for one year, beginning three months from the date of grant, totaling 200,000. The fair value of the stock options granted as determined by the Black-Scholes pricing model was \$332,743 or \$0.07 per option. Share based payments recognized during the six months ended June 30, 2019 of \$320,488 (2018 – \$nil). 395,000 stock-options expired during the six month period ended June 30, 2019 resulting in a reversal of \$97,571 from reserves to deficit. The total fair value of unvested options that will be recognized in the statement of loss in future periods amounts to \$12,255 at June 30, 2019 (2018 – \$nil).



During the three and six month periods ended June 30, 2019, the Company incurred \$13,050 and \$21,750, respectively, for an office lease included in Administration in the statement of loss and comprehensive loss and not included in lease liabilities.

Pursuant to qualifying flow-through expenditures incurred during the three and six month periods ended June 30, 2019, the flow-through premium liability was reduced by \$91,220 and \$144,545, respectively, and recorded in income as Recognition of the flow-through premium liability.

SUMMARY OF QUARTERLY RESULTS

The following table summarizes information derived from the Company's financial statements for each of the eight most recently completed quarters.

	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30
in thousands, except per share amounts	2019	2019	2018	2018	2018	2018	2017	2017
	\$	\$	\$	\$	\$	\$	\$	\$
Net loss:								
(i) in total	(516)	(1,104)	(597)	(527)	(941)	(400)	(543)	(248)
(ii) per share ⁽¹⁾	(0.00)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.00)
Cash	5,444	955	2,359	162	56	361	387	632
Exploration and evaluation	8,871	8,140	7,741	7,300	7,078	6,676	6,470	6,165
Loans	nil	nil	nil	nil	nil	nil	(443)	(514)
Deficit	(9,144)	(8,721)	(7,616)	(7,028)	(6,501)	(5,436)	(5,107)	(4,564)

⁽¹⁾ Fully diluted loss per share amounts are not shown as they would be anti-dilutive.

The Company's operations are not driven by seasonal trends, but rather by reaching project milestones such as completing various geological, technical, environmental and socio-economic objectives as well as closing the financings needed to fund the Company's activities. The operating results of junior exploration companies typically demonstrate wide variations from period to period. These variances arise from fluctuations in such costs as share-based compensation, level of exploration activity and unanticipated events such as hostile takeover bids.

TRANSACTIONS WITH RELATED PARTIES

Key Management Personnel

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of executive and non-executive members of the Company's Board of Directors and corporate officers. Compensation paid or payable to key management personnel for services rendered were as follows for the three and six months ended June 30:

	Three month period ended June 30 2019	Three month period ended June 30 2018	Six month period ended June 30 2019	Six month period ended June 30 2018
	\$	\$	\$	\$
Salaries	90,110	-	177,110	-
Consulting	-	87,000	24,000	174,000
Contract wages ⁽¹⁾	-	19,500	6,500	39,000
Directors' fees	17,500	4,500	35,000	9,000
Geological consulting ⁽²⁾	19,600	73,101	47,800	146,202
Share based payments	230,233	-	230,233	-
Severances	884,497	-	884,497	-
	1,241,940	184,101	1,405,140	368,202



In accordance with IAS 24, *Related Party Disclosures*, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive). The remuneration of directors and key executives is determined by the Board of Directors having regard to the performance of individuals and market trends.

At June 30, 2019, the Company included in accounts payable and accrued liabilities \$17,500 of directors' fees payable to the members of board of directors of the Company for services provided during the three month period ended June 30, 2019.

At June 30, 2018, the Company had advanced \$5,000 to the former CEO and director of the Company and owed \$14,583 to the former COO and director of the Company, \$5,872 to a former director of the Company and \$5,250 to a director of the Company and \$3,572 to a director of the Company, in respect of expenses incurred on behalf of the Company and included in accounts payable and accrued liabilities.

During the three months ended March 31, 2019, the Company announced that it had made management changes. Pursuant to the management changes, the Company paid severances totalling \$884,497 to the former Chief Executive Officer (\$391,496), Chief Financial Officer (\$117,000), Chief Operating Officer (\$328,001) and Corporate Secretary (\$48,000) of the Company.

Subsequent to June 30, 2019, the Company paid Mr. Bernard Kahlert, P.Geo., who served as Vice President of Exploration for the Company, a sum of \$108,000 upon his retirement.

Related-party transactions

Effective February 1, 2019, the Company entered into a sublease for office space in Toronto, with a corporation that is related as they have directors, as well as the Chief Financial Officer and Corporate Secretary in common. The related corporation also charged Maritime for reimbursement of direct third party purchases of certain office administration services. Effective July 1, 2014, the Company entered into arrangement with an administration and exploration services contractor ("AESC") in which a director is a shareholder, pursuant to which it receives office, administrative and exploration services. The AESC ceased to be a related party of the Company effective February 1, 2019.

For the three and six month periods ended June 30 the Company was charged the following:

	Three month period ended June 30 2019 \$	Three month period ended June 30 2018 \$	Six month period ended June 30 2019 \$	Six month period ended June 30 2018 \$
Rent	13,050	-	21,750	-
Office administration	1,182	-	1,970	-
Rent - AESC	-	24,860	-	49,719
Office administration - AESC	-	4,809	-	9,869
	14,232	29,669	23,720	59,588

LIQUIDITY AND CAPITAL RESOURCES

The Company has no operations that generate cash flow at this time. The Company's future financial success will depend on its success in re-starting the past producing Hammerdown gold mine and, also on the expansion of, or discovery of, one or more economic mineral deposits or business opportunities. The process can take many years, can consume significant resources and is largely based on factors that are beyond the control of the Company and its management.



Management's objective is to ensure that there is sufficient capital to minimize liquidity risk and to continue as a going concern. As an exploration stage company, the Company has financed its activities primarily by the issuance of equity securities. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future, or that the terms of such financings will be favourable.

On April 24, 2019, the Company closed a non-brokered private placement raising aggregate gross proceeds of \$6,092,500 through the issuance of a combination of units at a price of \$0.10 per unit and flow-through units at a price of \$0.12 per unit. The Company considers this to be sufficient financing to carry out its 2019 plan.

Working Capital

The Company had \$5,329,701 in working capital as at June 30, 2019 (December 31, 2018 – \$2,324,737) (see "Non-IFRS Measures"). As at June 30, 2019, the Company has no debt, does not have any unused lines of credit or other arrangements in place to borrow funds, and has no off-balance sheet arrangements. The Company has no current plans to use debt financing and does not use hedges or other financial derivatives.

The Company manages its liquidity risk (i.e., the risk that it will not be able to meet its obligations as they become due) by forecasting cash flows from operations together with its investing and financing activities. Expenditures are adjusted to ensure liabilities can be funded as they become due. Management and the Board of Directors are actively involved in the review, planning, and approval of significant expenditures and commitments.

Operating Activities

Cash used in operating activities was \$1,386,883 for the six month period ended June 30, 2019, compared to \$516,577 in the same period of 2018.

Financing Activities

Financing activities resulted in cash inflows of \$5,582,922 from the issuance of shares partially offset by repayment of lease liabilities during the six months ended June 30, 2019, compared to cash inflows of \$777,414 in the same period of 2018, from the issuance of shares partially offset by the repayment of the loan.

Investing Activities

Investing activities, relating predominantly to exploration and evaluation expenditures on the Company's exploration properties, resulted in cash outflows of \$1,110,718 during the six month period ended June 30, 2019 compared to \$591,943 during the six month period ended June 30, 2018.

CONTINGENCIES

The Company may be subject to various contingent liabilities that occur in the normal course of operations. The Company is not aware of any pending or threatened proceedings that would have a material adverse effect on the financial position or future results of the Company.

OFF BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.



FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, receivables, and accounts payable and accrued liabilities. The carrying value of receivables, and accounts payable and accrued liabilities approximate their fair values due to the short-term nature of these instruments. The fair value of cash is measured based on level 1 of the fair value hierarchy.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below.

Credit risk

Credit risk is the risk of a financial loss to the Company if a counter-party to a financial instrument fails to meet its contractual obligation. The Company's receivables consist primarily of tax receivables due from federal and provincial government agencies. The Company has no customers or trade receivables as at June 30, 2019. The Company does not have a significant concentration of credit risk with any single counter-party. The Company's cash is invested in interest bearing accounts at major Canadian chartered banks. Because of these circumstances, the Company does not believe it has a material exposure to credit risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to cash flow interest rate risk. The risk that the Company will realize a loss in cash is limited because the Company's deposits are redeemable on demand.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances, asset sales or a combination thereof.

The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. As at June 30, 2019, the Company had cash totalling \$5,444,387 (December 31, 2018 – \$2,359,066) to settle accounts payable and accrued liabilities of \$376,875 (December 31, 2018 – \$121,441). Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

As at June 30, 2019 and December 31, 2018, the Company's accounts payable and accrued liabilities have contractual maturities of less than 60 days and are subject to normal trade terms.

Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.



RISK FACTORS AND UNCERTAINTIES

The Company is subject to risks and uncertainties similar to other companies in a comparable stage of exploration. These risks include, but are not limited to, continuing losses, dependence on key individuals, and the ability to secure adequate financing to meet minimum capital required to successfully complete its exploration programs and continue as a going concern. While the Company has been successful in raising financing to date, there can be no assurance that it will be able to do so in the future. The operations of the Company are speculative due to the high-risk nature of its business. These risk factors and uncertainties could materially affect the Company's future operating results and could cause actual events to differ materially from those described herein and in forward-looking statements and forward-looking information relating to the Company. For a more comprehensive discussion of the risks and uncertainties faced by the Company, please refer to the Company's MD&A as at December 31, 2018 filed on www.sedar.com.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The information included in the Financial Statements and this MD&A is the responsibility of management, and their preparation in accordance with IFRS requires management to make estimates and their assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the Financial Statements, and the reported amount of income and expenses during the reported period. Actual results could differ from those estimates.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Critical judgments exercised in the application of accounting policies and estimates having the most significant effects on the amounts recognized in the Financial Statements are as follows:

Economic recoverability and profitability of future economic benefits of exploration and evaluation assets – Management has determined that exploration, evaluation and related costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits, including geological and other technical information, a history of conversion of mineral deposits with similar characteristics to its properties, evaluation of permitting and environmental issues and other such factors.

Royalty reserve - Royalty reserve includes proceeds received from royalty units, repayable from future production. As future production is not determinable, the royalty units have been classified as capital in nature.

The most significant accounts that require estimates as the basis for determining the stated amounts include the following:

Valuation of share-based payments, broker compensation and finders' warrants – The Company uses the Black-Scholes Option Pricing Model for valuation of share-based payments, agent compensation and finders' warrants,



which requires the input of subjective assumptions including expected price volatility, interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's results and equity reserves. The resulting value calculated is not necessarily the value that the holder of the option could receive in an arm's length transaction, given that there is no market for the options and they are not transferable.

Income taxes – In assessing the probability of realizing deferred tax assets, management makes estimates related to expectation of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax position taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

NEW ACCOUNTING STANDARDS

The Company has adopted the new *IFRS 16 – Leases* ("IFRS 16") accounting standard, effective January 1, 2019. The adoption of IFRS 16 has resulted in the changes in accounting policies described in Note 3 of the condensed interim financial statements for the three and six months ended June 30, 2019.

IFRS 16 was issued by the IASB on January 13, 2016, and has replaced IAS 17, Leases. IFRS 16 brings most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting however, remains largely unchanged and the distinction between operating and finance leases is retained. IFRS 16 was adopted using the modified retrospective transition method as at January 1, 2019 without restatement of comparatives. The impact of the transition to IFRS 16 is disclosed in Note 3 of the condensed interim financial statements.

NON-IFRS MEASURES

This MD&A refers to working capital, which is not a recognized measure under IFRS. This non-IFRS performance measure does not have any standardized meaning prescribed by IFRS and is therefore unlikely to be comparable to similar measures presented by other issuers. Management uses this measure internally to better assess performance trends and liquidity. Management understands that a number of investors and others who follow the Company's business assess performance in this way. This data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

As at	June 30, 2019	December 31, 2018
	\$	\$
Current assets		
Cash	5,444,387	2,359,066
Receivables	169,345	40,953
Prepaid expenses	158,148	46,159
	5,771,880	2,446,178
Current liabilities		
Accounts payable and accrued liabilities	(376,875)	(121,441)
Lease liability	(65,304)	-
Working capital	5,329,701	2,324,737



DISCLOSURE OF SECURITIES OUTSTANDING

As at August 27, 2019, the following common shares, common share purchase options, finders' warrants and common share purchase warrants were outstanding.

	Expiry date	Exercise price per share	Number of shares and number of shares on exercise
Common shares			189,050,469
Common share purchase options	15-Oct-2019	\$ 0.15	100,000
Common share purchase options	13-Nov-2020	\$ 0.15	1,685,000
Common share purchase options	29-Jul-2021	\$ 0.25	2,300,000
Common share purchase options	26-Apr-2022	\$ 0.15	200,000
Common share purchase options	04-Dec-2022	\$ 0.10	500,000
Common share purchase options	15-Dec-2022	\$ 0.10	2,500,000
Common share purchase options	06-Dec-2023	\$ 0.11	4,805,000
Common share purchase options	18-Jun-2024	\$ 0.10	4,850,000
Common share purchase options			16,940,000
Common share purchase warrants	21-Sep-2019	\$ 0.20	2,650,000
Common share purchase warrants	06-Jan-2020	\$ 0.20	6,383,333
Common share purchase warrants	07-Nov-2020	\$ 0.15	15,431,450
Common share purchase warrants	12-24-Apr-2021	\$ 0.15	28,448,333
Common share purchase warrants⁽¹⁾			52,913,116
Finders' warrants	21-Sep-2019	\$ 0.20	350,000
Finders' warrants	06-Jan-2020	\$ 0.20	480,000
Finders' warrants	07-Nov-2020	\$ 0.15	1,076,395
Finders' warrants	07-Nov-2020	\$ 0.11	2,152,791
Finders' warrants	12-24-Apr-2021	\$ 0.15	3,863,294
Finders' warrants⁽²⁾			7,922,480

⁽¹⁾ Each transferable warrant entitles the holder to acquire one common share of the Company.

⁽²⁾ Each non-transferable warrant entitles the holder to acquire one common share of the Company.



CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

Certain of the statements made and information contained herein is “forward-looking information” within the meaning of *National Instrument 51-102, Continuous Disclosure Obligations* of the Canadian Securities Administrators. This includes statements concerning the potential to increase mineral resource and mineral reserve estimates and the Company’s plans to restart the Hammerdown Mine, acquire new mineral property interests or business opportunities, which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. All forward-looking statements and forward-looking information are based on reasonable assumptions that have been made by the Company in good faith as at the date of such information. Such assumptions include, without limitation, the price of and anticipated costs of recovery of, base metal concentrates, gold and silver, the presence of and continuity of such minerals at modeled grades and values, the capacities of various machinery and equipment, the use of ore sorting technology will produce positive results, the availability of personnel, machinery and equipment at estimated prices, mineral recovery rates, and others. Forward-looking information is subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking information, including, without limitation, the ability of the Company to continue to be able to access the capital markets for the funding necessary to acquire, maintain and advance exploration properties or business opportunities; competition within the industry to acquire properties of merit or new business opportunities, and competition from other companies possessing greater technical and financial resources; difficulties in advancing towards a development decision at the Hammerdown Mine and executing exploration programs at its Newfoundland and Labrador properties on the Company’s proposed schedules and within its cost estimates, whether due to weather conditions in the areas where it operates, increasingly stringent environmental regulations and other permitting restrictions or maintaining title or other factors related to exploring of its properties, such as the availability of essential supplies and services; factors beyond the capacity of the Company to anticipate and control, such as the marketability of mineral products produced from the Company’s properties, uncertainty as to whether mineral resources will ever be converted into mineral reserves once economic considerations are applied, uncertainty as to whether inferred mineral resources will be converted to the measured and indicated categories through further drilling, or into mineral reserves, once economic considerations are applied, government regulations relating to health, safety and the environment, and the scale and scope of royalties and taxes on production; the availability of experienced contractors and professional staff to perform work in a competitive environment and the resulting adverse impact on costs and performance and other risks and uncertainties, including those described in each MD&A of financial condition and results of operations. In addition, forward-looking information is based on various assumptions including, without limitation, assumptions associated with exploration results and costs and the availability of materials and skilled labour. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements. Accordingly, readers are advised not to place undue reliance on forward-looking information. Except as required under applicable securities legislation, Maritime undertakes no obligation to publicly update or revise forward-looking information, whether as a result of new information, future events or otherwise.